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LOG PRICES IN WESTERN WASHINGTON AND NORTHWEST OREGON, 1963-68[1/]

by

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ABSTRACT

An annual series of log prices is shown for seven principal species in western Washington and northwest Oregon. The average reported log price rose 60.3 percent between 1963 and 1968. Much of this increase is accounted for by log exports and the trend toward more value added in sorting and other handling as the mixture of log species, sizes, and grades are channeled to different outlets. Prices for export logs rose considerably more than for other logs.

Average annual log prices from 1963 to 1968 are presented by log grade for seven principal species in tables 1-8. These species include Douglas-fir, western hemlock, noble fir, white fir, western redcedar, Sitka spruce, and western white pine.

Prices are shown for water and inland sales combined and for export sales (sales for export outside the United States). Water sales are those in market areas on towable waters, not identified for export.

1/ This report is based on data from quarterly "Composite Log Sales Analysis" reports published by the Industrial Forestry Association, Portland, Oregon, and is made available with their permission. For 1968, the logs covered by these reports represented approximately 24 percent of the total log harvest from all ownerships in western Washington and the seven northwest Oregon counties.

Inland sales are those in market areas not on towable waters and not identified for export.

General Price Trends

Log prices in western Washington and northwest Oregon rose steadily between 1963 and 1968. The average log price in transactions reported to the Industrial Forestry Association in the Puget Sound, Grays Harbor, and Columbia River Districts was $55.40 per thousand board feet, Scribner scale, in 1963[2/] and $88.80 in 1968, an increase of 60.3 percent.

For comparison, the U.S. Bureau of Labor Statistics' wholesale lumber price index for the same period rose 28.6 percent, and the wholesale price index for all commodities rose 8.4 percent.

Prices by Species and Log Grade

The average price of No. 3 Douglas-fir peeler logs, the most common peeler grade, increased 29.7 percent during the period 1963-68 for water and inland sales, from $83.90 to $108.80 per thousand board feet, Scribner scale (fig. 1). The average price for export sales of this grade increased 25.2 percent, from $88.80 to $111.20 per thousand board feet.

The average price of No. 2 Douglas-fir saw logs for water and inland sales increased 27.8 percent during the same period, from $61.90 to $79.10 per thousand board feet; for export sales, the corresponding increase was 40.5 percent, from $69.70 to $97.90.

Western hemlock makes up the second highest volume of log harvest in this region and is the highest volume log export species. The average price of No. 2 western hemlock saw logs rose 38.1 percent during 1963-68 in water and inland sales, from $47.50 to $65.60 per thousand board feet. In export sales, the price rise was 59.7 percent, from $60.10 to $96.

The greatest percentage increase in log prices occurred for Sitka spruce and noble fir, which increased 94.9 and 90.1 percent, respectively, between 1963 and 1968 (all grades, water, inland, and export combined).

[2/] Data for 1963 are available for the third and fourth quarters only.

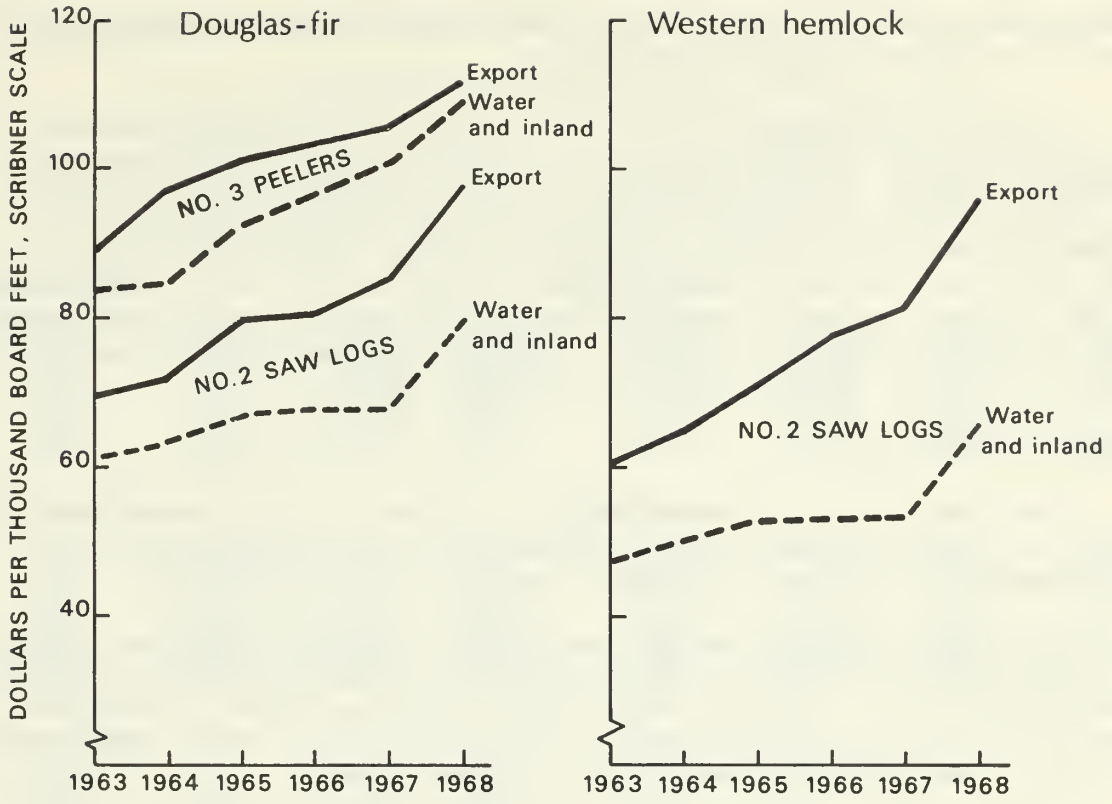

Figure 1.--Average prices for Douglas-fir and western hemlock logs in export sales, and in water and inland sales, for selected grades, 1963-68.

Kinds of Log Markets

Many of the logs harvested annually in western Washington and western Oregon are bought and sold in an open log market[3/] before being put to use. These transactions can take several forms.

For example, independent loggers, who purchase public or private stumpage, sell their logs to mills or other outlets. Mills themselves often sort the logs they receive from the woods, selling some to other types of mills or to other outlets, so as to direct each log to the particular type of mill and product for which it is best suited. Also, the recent development of the log export market has introduced log dealer firms specializing in putting together shipments of certain kinds

3/ The open log market refers to log transactions between different individuals or independent firms (not between different departments of the same or related firms). The transactions involve logs in rafts--in rivers, Puget Sound or other harbors--or at dryland locations and do not include stumpage sales of standing timber. Northwest Oregon is defined here as approximately from Salem northward.

of logs for specific export orders. The prices reported here reflect all of the above kinds of transactions.

Most log transactions are on the basis of log grade, as defined by the Puget Sound, Grays Harbor, and Columbia River Log Scaling and Grading Bureaus. The various peeler and saw-log grades were developed to indicate the use for which individual logs are best suited. For example, peeler log grades originally indicated those logs suitable for the rotary peeling of clear veneer. In practice today, many peeler grade logs are actually sawn, and many saw-log grade logs go into veneer for structural grades of plywood. However, the grade distinctions continue to reflect differences in end-product value.

Export Log Sales

The "export sales" classification includes all log transactions that are identified for export, whether at initial scaling points, intermediate points, or final delivery points alongside ship.

Preparing logs for export generally involves extra sorting, towing, trimming, scaling, storage, and financing, as compared with logs destined for domestic use. Logs for domestic use often have some of these same kinds of costs, but usually not as much. This is one reason for export log prices being higher than water or inland prices.

Another reason for higher export log prices is the general requirement that export logs be mostly free of defect and have fewer large knots. This makes them better than the "average" within each log grade, and hence of more value. A third possible reason for higher export prices lies in the general competitive situation of the market. That is, a premium must be paid to divert logs from domestic channels and into export markets to compensate for uncertainty over the long-term availability of this special market, potential government controls, and the risk of alienating steady domestic customers or public opinion.

Export dealers have told us that the logs they handle have a higher relative value to overseas purchasers, who can afford to carry the extra costs of the additional handling and additional transactions through the various levels of log dealers and export trading companies.

Table 1.--*Douglas-fir peeler log prices, western Washington and northwest Oregon, 1963-68*

(Dollars per thousand board feet, Scribner log scale)

Log grade and year	Water and inland sales	Export sales	All sales
No. 1 peeler:			
1963	111.30	135.00	111.40
1964	114.80	123.90	114.80
1965	121.80	140.30	122.40
1966	125.70	142.00	127.60
1967	128.50	155.80	137.90
1968	143.30	155.60	149.40
No. 2 peeler:			
1963	99.90	--	99.90
1964	102.20	112.50	102.30
1965	109.40	117.50	109.50
1966	114.00	128.30	114.90
1967	117.60	133.10	122.30
1968	125.50	135.40	128.60
No. 3 peeler:			
1963	83.90	88.80	84.00
1964	84.40	97.40	85.00
1965	92.50	100.70	92.80
1966	96.80	103.40	97.70
1967	100.70	105.70	103.00
1968	108.80	111.20	110.20
SFP or SM:[1/]			
1963	71.20	75.00	72.00
1964	73.40	82.20	74.50
1965	78.50	89.10	80.30
1966	83.60	89.90	86.10
1967	84.30	94.20	89.90
1968	96.90	103.50	100.80
Average:			
1963	86.00	76.00	85.20
1964	85.80	86.20	85.90
1965	93.90	93.90	93.90
1966	97.90	96.40	97.50
1967	103.80	108.50	105.90
1968	109.80	112.40	111.00

[1/] Special fir peeler or special mill grade.

Source: Pacific Northwest Forest and Range Experiment Station compilation of regional log values based on composite log sales analyses of Industrial Forestry Association, Portland, Oregon. These prices may reflect costs of towing, sorting, bundling, or other handling, depending on the point of sale in each transaction. Data for 1963 include third and fourth quarters only.

Table 2.--*Douglas-fir saw-log prices, western Washington and northwest Oregon, 1963-68*

(Dollars per thousand board feet, Scribner log scale)

Log grade and year	Water and inland sales	Export sales	All sales
No. 1 saw log:			
1963	67.30	--	67.30
1964	68.30	--	68.30
1965	72.10	78.30	72.20
1966	73.20	72.00	73.20
1967	70.80	93.90	72.70
1968	89.20	99.60	90.90
No. 2 saw log:			
1963	61.90	69.70	62.70
1964	63.50	71.70	64.90
1965	66.60	78.70	67.90
1966	67.60	80.50	70.00
1967	67.80	85.00	73.40
1968	79.10	97.90	87.50
No. 3 saw log:			
1963	50.60	58.20	52.70
1964	52.10	60.10	53.40
1965	54.20	60.70	55.40
1966	54.90	63.90	56.10
1967	54.60	70.70	57.90
1968	63.90	88.00	70.60
Mixed grade:			
1963	--	--	--
1964	60.40	78.80	64.60
1965	66.60	81.40	69.70
1966	71.00	78.20	74.70
1967	72.30	80.40	78.40
1968	81.80	96.40	86.60
Ungraded:[1/]			
1963	51.20	54.30	52.00
1964	38.30	58.40	39.50
1965	44.20	51.10	44.20
1966	49.20	78.30	50.50
1967	46.30	68.30	53.10
1968	63.40	71.40	66.90
Average:			
1963	57.90	61.60	58.50
1964	57.70	68.50	59.50
1965	61.50	72.50	63.00
1966	62.30	77.10	65.00
1967	61.80	80.00	68.90
1968	75.00	93.20	82.00

[1/] Excludes cull logs and utility logs.

Source: Pacific Northwest Forest and Range Experiment Station compilation of regional log values based on composite log sales analyses of Industrial Forestry Association, Portland, Oregon. These prices may reflect costs of towing, sorting, bundling, or other handling, depending on the point of sale in each transaction. Data for 1963 include third and fourth quarters only.

Table 3.--*Western hemlock log prices, western Washington and northwest Oregon, 1963-68*

(Dollars per thousand board feet, Scribner log scale)

Log grade and year	Water and inland sales	Export sales	All sales
Peeler log:			
1963	64.20	72.60	66.20
1964	66.90	80.10	72.20
1965	77.20	84.80	81.00
1966	81.80	84.30	83.70
1967	82.90	96.80	94.70
1968	93.30	110.20	109.00
SFP or SM:[1/]			
1963	57.40	60.70	60.10
1964	88.00	71.90	76.40
1965	65.00	84.80	78.20
1966	66.10	80.80	79.20
1967	69.10	88.00	87.20
1968	89.40	101.00	100.40
No. 1 saw log:			
1963	59.00	67.50	62.30
1964	62.30	75.60	68.80
1965	71.60	78.80	76.10
1966	74.80	87.70	84.60
1967	75.30	91.60	90.00
1968	86.80	105.60	104.40
No. 2 saw log:			
1963	47.50	60.10	51.90
1964	50.10	64.60	55.20
1965	52.70	71.00	63.10
1966	53.30	77.80	66.50
1967	53.30	81.70	75.50
1968	65.60	96.00	89.90
No. 3 saw log:			
1963	40.30	56.20	42.70
1964	41.90	56.70	44.30
1965	44.40	62.60	50.40
1966	44.60	68.90	49.60
1967	45.20	71.70	57.30
1968	55.20	87.20	74.30
Mixed grade:			
1963	--	--	--
1964	46.70	61.70	56.60
1965	48.20	67.60	59.40
1966	48.30	72.60	62.40
1967	50.60	76.20	67.70
1968	63.40	89.70	81.00
Ungraded:[2/]			
1963	44.70	54.90	50.60
1964	41.00	53.40	45.80
1965	42.80	63.30	48.50
1966	44.30	60.50	48.60
1967	45.00	66.70	52.10
1968	55.80	81.00	63.90
Average:			
1963	46.90	56.80	51.60
1964	47.60	62.20	55.20
1965	49.30	70.00	60.40
1966	49.80	76.00	64.20
1967	49.20	80.60	70.30
1968	62.20	96.00	87.60

[1/] "Suitable for peeling" or special mill grade.

[2/] Excludes cull logs and utility logs.

Source: Pacific Northwest Forest and Range Experiment Station compilation of regional log values based on composite log sales analyses of Industrial Forestry Association, Portland, Oregon. These prices may reflect costs of towing, sorting, bundling, or other handling, depending on the point of sale in each transaction. Data for 1963 include third and fourth quarters only.

Table 4.--*Noble fir log prices, western Washington and northwest Oregon, 1963-68*

(Dollars per thousand board feet, Scribner log scale)

Log grade and year	Water and inland sales	Export sales	All sales
Peeler log:			
1963	66.60	96.80	94.80
1964	78.70	103.60	102.20
1965	106.40	133.90	132.40
1966	102.00	145.50	144.90
1967	114.00	150.20	149.90
1968	153.90	168.00	167.50
SFP or SM:[1/]			
1963	53.00	73.30	72.90
1964	68.70	78.60	78.20
1965	84.30	102.50	101.60
1966	83.30	116.40	115.50
1967	85.80	124.20	123.40
1968	104.10	136.60	135.90
No. 1 saw log:			
1963	57.60	87.90	86.70
1964	77.50	94.10	93.50
1965	92.30	122.60	120.90
1966	82.80	131.70	130.50
1967	86.70	143.20	142.50
1968	130.20	157.90	156.20
No. 2 saw log:			
1963	50.80	65.50	62.10
1964	50.50	69.80	62.90
1965	53.90	88.40	84.00
1966	63.30	96.40	94.60
1967	67.40	101.40	100.30
1968	84.90	113.30	110.90
No. 3 saw log:			
1963	43.00	57.60	50.30
1964	43.60	66.80	57.70
1965	45.80	72.00	64.10
1966	46.10	75.20	69.70
1967	47.40	75.70	73.30
1968	69.50	82.10	80.00
Mixed grade:			
1963	--	--	--
1964	60.70	64.10	63.70
1965	62.00	87.00	81.90
1966	46.70	85.40	75.40
1967	51.40	89.50	77.50
1968	71.00	99.10	97.30
Ungraded:[2/]			
1963	51.20	57.60	55.80
1964	35.80	--	35.80
1965	43.70	94.10	82.40
1966	40.00	--	40.00
1967	41.50	38.10	41.50
1968	49.80	--	49.80
Average:			
1963	51.50	74.90	71.00
1964	54.60	84.80	80.50
1965	63.20	105.30	100.60
1966	57.70	116.20	112.40
1967	48.00	123.90	114.20
1968	97.80	137.40	135.00

[1/] "Suitable for peeling" or special mill grade.

[2/] Excludes cull logs and utility logs.

Source: Pacific Northwest Forest and Range Experiment Station compilation of regional log values based on composite log sales analyses of Industrial Forestry Association, Portland, Oregon. These prices may reflect costs of towing, sorting, bundling, or other handling, depending on the point of sale in each transaction. Data for 1963 include third and fourth quarters only.

Table 5.--*White fir log prices, western Washington and northwest Oregon, 1963-68*

(Dollars per thousand board feet, Scribner log scale)

Log grade and year	Water and inland sales	Export sales	All sales
Peeler log:			
1963	64.90	70.90	65.60
1964	66.60	81.60	70.60
1965	76.10	84.80	79.60
1966	79.30	91.70	88.60
1967	81.00	95.60	92.70
1968	87.10	107.00	104.90
SFP or SM:[1/]			
1963	58.90	61.60	60.20
1964	59.70	74.00	66.90
1965	66.40	78.40	73.90
1966	68.40	82.20	79.40
1967	68.00	85.20	82.60
1968	79.90	97.80	97.20
No. 1 saw log:			
1963	59.40	66.50	61.00
1964	62.90	76.00	67.60
1965	71.40	80.40	76.40
1966	74.30	87.60	83.60
1967	74.70	90.40	87.90
1968	86.10	101.20	100.00
No. 2 saw log:			
1963	51.00	61.10	53.00
1964	52.60	62.40	54.40
1965	55.40	72.40	62.70
1966	56.50	78.60	70.30
1967	53.00	81.90	76.20
1968	63.80	94.40	90.10
No. 3 saw log:			
1963	41.20	57.00	45.40
1964	42.90	57.10	44.30
1965	45.40	65.10	49.80
1966	44.80	71.30	53.90
1967	47.00	74.80	60.30
1968	53.10	85.80	72.20
Mixed grade:			
1963	--	--	--
1964	46.80	60.20	54.70
1965	60.40	70.40	66.20
1966	55.00	79.00	71.70
1967	53.60	82.00	75.00
1968	63.70	91.40	81.00
Ungraded:[2/]			
1963	41.60	55.20	48.30
1964	38.50	54.30	44.00
1965	42.60	65.70	46.90
1966	42.60	59.80	50.60
1967	44.40	68.70	49.80
1968	51.70	86.70	59.10
Average:			
1963	51.10	58.40	53.40
1964	50.90	63.10	55.30
1965	56.20	73.10	63.90
1966	55.20	80.00	71.10
1967	53.10	83.90	75.60
1968	61.20	95.10	87.20

[1/] "Suitable for peeling" or special mill grade.

[2/] Excludes cull logs and utility logs.

Source: Pacific Northwest Forest and Range Experiment Station compilation of regional log values based on composite log sales analyses of Industrial Forestry Association, Portland, Oregon. These prices may reflect costs of towing, sorting, bundling, or other handling, depending on the point of sale in each transaction. Data for 1963 include third and fourth quarters only.

Table 6.--*Sitka spruce log prices, western Washington and northwest Oregon, 1963-68*

(Dollars per thousand board feet, Scribner log scale)

Log grade and year	Water and inland sales	Export sales	All sales
Select log:			
1963	88.40	99.20	91.20
1964	99.30	121.60	113.00
1965	138.30	140.80	140.20
1966	136.30	147.00	144.80
1967	147.60	151.00	150.50
1968	166.00	154.70	156.00
SFP or SM:[1/]			
1963	--	--	--
1964	--	--	--
1965	--	--	--
1966	66.10	92.90	88.10
1967	67.60	109.30	92.34
1968	--	102.00	102.00
No. 1 saw log:			
1963	71.30	83.20	74.90
1964	76.90	103.80	92.80
1965	107.70	121.90	118.10
1966	101.70	132.90	127.90
1967	106.10	141.40	135.30
1968	126.80	163.60	157.80
No. 2 saw log:			
1963	51.70	64.70	55.20
1964	57.70	76.20	65.00
1965	71.70	80.70	77.30
1966	62.40	99.90	87.40
1967	64.20	95.50	89.50
1968	77.90	118.50	111.50
No. 3 saw log:			
1963	41.90	48.10	42.80
1964	43.10	53.20	45.70
1965	46.30	47.10	46.60
1966	46.50	63.40	49.90
1967	44.30	67.10	52.10
1968	49.30	85.70	69.80
Mixed grade:			
1963	--	--	--
1964	50.30	68.90	60.10
1965	55.00	84.50	64.40
1966	67.60	79.00	73.40
1967	61.00	97.20	77.20
1968	79.50	100.50	86.60
Ungraded:[2/]			
1963	51.20	51.40	51.20
1964	33.60	47.70	40.50
1965	43.80	72.70	46.70
1966	46.10	65.50	50.40
1967	44.00	46.70	44.20
1968	57.00	102.60	66.40
Average:			
1963	56.00	70.00	59.30
1964	58.10	83.40	69.00
1965	66.10	94.90	81.20
1966	64.40	107.30	89.60
1967	62.00	107.00	92.60
1968	82.40	129.10	115.60

[1/] "Suitable for peeling" or special mill grade.

[2/] Excludes cull logs and utility logs.

Source: Pacific Northwest Forest and Range Experiment Station compilation of regional log values based on composite log sales analyses of Industrial Forestry Association, Portland, Oregon. These prices may reflect costs of towing, sorting, bundling, or other handling, depending on the point of sale in each transaction. Data for 1963 include third and fourth quarters only.

Table 7.--*Western redcedar log prices, western Washington and northwest Oregon, 1963-68*

(Dollars per thousand board feet, Scribner log scale)

Log grade and year	Water and inland sales	Export sales	All sales
No. 1 saw log:			
1963	74.30	83.00	74.50
1964	76.60	84.80	76.80
1965	84.20	97.00	85.10
1966	87.10	101.60	88.90
1967	81.60	112.00	87.70
1968	98.00	127.20	102.60
No. 2 saw log:			
1963	51.50	64.30	51.80
1964	54.10	71.70	54.60
1965	57.50	77.20	59.00
1966	60.10	82.60	62.50
1967	61.00	85.60	66.50
1968	75.60	102.70	80.80
No. 3 saw log:			
1963	41.70	57.30	42.30
1964	45.30	51.00	45.60
1965	45.70	54.60	46.20
1966	43.60	61.90	44.90
1967	46.30	65.30	51.40
1968	54.90	70.80	57.70
Mixed grade:			
1963	--	--	--
1964	50.40	43.80	49.50
1965	47.80	62.70	48.40
1966	44.70	64.40	46.70
1967	47.90	62.80	49.90
1968	61.70	73.20	64.20
Ungraded:[1/]			
1963	47.40	55.70	47.50
1964	46.00	44.80	46.00
1965	48.50	61.00	48.50
1966	54.40	61.20	54.50
1967	43.80	59.60	52.50
1968	55.40	89.00	56.50
Average:			
1963	51.80	64.10	52.10
1964	54.10	60.10	54.30
1965	56.20	73.50	57.30
1966	56.40	79.00	58.40
1967	57.60	77.60	62.50
1968	71.20	94.10	75.40

[1/] Excludes cull logs and utility logs.

Source: Pacific Northwest Forest and Range Experiment Station compilation of regional log values based on composite log sales analyses of Industrial Forestry Association, Portland, Oregon. These prices may reflect costs of towing, sorting, bundling, or other handling, depending on the point of sale in each transaction. Data for 1963 include third and fourth quarters only.

Table 8.--*Western white pine log prices, western Washington and northwest Oregon, 1963-68*

(Dollars per thousand board feet, Scribner log scale)

Log grade and year	Water and inland sales	Export sales	All sales
Peeler log:			
1963	79.00	--	79.00
1964	73.60	60.30	69.50
1965	89.40	59.40	83.80
1966	77.80	87.30	86.40
1967	84.40	93.30	90.80
1968	108.10	96.10	97.60
SFP or SM:[1/]			
1963	80.80	--	80.80
1964	58.40	--	58.40
1965	76.90	77.80	76.90
1966	70.30	97.10	93.40
1967	72.10	103.30	91.60
1968	88.20	112.20	108.20
No. 1 saw log:			
1963	57.00	56.60	56.80
1964	65.80	54.60	60.20
1965	83.30	66.90	80.80
1966	65.00	80.20	78.20
1967	77.60	83.40	82.30
1968	90.70	77.80	78.80
No. 2 saw log:			
1963	49.50	51.90	49.90
1964	55.00	45.70	52.60
1965	62.90	54.80	61.60
1966	56.00	59.00	58.10
1967	57.40	72.90	66.90
1968	68.50	66.20	67.00
No. 3 saw log:			
1963	43.50	36.00	43.20
1964	43.00	43.50	43.20
1965	46.60	41.60	45.50
1966	45.40	39.40	41.60
1967	45.40	39.50	43.00
1968	52.20	46.80	48.40
Mixed grade:			
1963	--	--	--
1964	62.80	63.90	63.20
1965	52.00	56.60	52.40
1966	50.10	64.90	59.30
1967	41.40	73.90	55.60
1968	46.40	82.90	55.40
Ungraded:[2/]			
1963	42.30	54.80	44.90
1964	42.50	--	42.50
1965	36.60	--	36.60
1966	36.50	--	36.50
1967	46.70	44.90	45.20
1968	58.80	74.00	65.00
Average:			
1963	48.60	53.50	49.40
1964	49.10	45.20	47.50
1965	54.40	54.60	54.50
1966	42.90	65.70	54.20
1967	52.90	71.00	63.60
1968	53.90	65.50	59.50

[1/] "Suitable for peeling" or special mill grade.

[2/] Excludes cull logs and utility logs.

Source: Pacific Northwest Forest and Range Experiment Station compilation of regional log values based on composite log sales analyses of Industrial Forestry Association, Portland, Oregon. These prices may reflect costs of towing, sorting, bundling, or other handling, depending on the point of sale in each transaction. Data for 1963 include third and fourth quarters only.